

Department of Social and Health Services

DP Code/Title: M2-LR Alloc of Admin Reduct to Programs

Agency Wide

There are 11 Programs in this DP

Budget Period: 2003-05 Version: 11 2003-05 Agency Request Budget

Recommendation Summary Text:

Program(s): 010 020 030 040 050 060 070 080 100 110 150

This decision package distributes the administrative reductions provided in the 2002 Supplemental to all Department of Social and Health Services (DSHS) programs.

Fiscal Detail:

Operating Expenditures

| <u>Operating Expenditures</u> | | <u>FY 1</u> | <u>FY 2</u> | <u>Total</u> |
|-------------------------------|---------------------------------------------------|-------------|-------------|--------------|
| Overall Funding | | | | |
| 001-2 | General Fund - Basic Account-Federal | (50,000) | (50,000) | (100,000) |
| 001-C | General Fund - Basic Account-DSHS Medicaid Federa | 50,000 | 50,000 | 100,000 |
| Total Cost | | 0 | 0 | 0 |

Staffing

| | <u>FY 1</u> | <u>FY 2</u> | <u>Annual Avg</u> |
|-------------|-------------|-------------|-------------------|
| Agency FTEs | (30.5) | (30.5) | (30.5) |

Package Description:

Program(s): 010 020 030 040 050 060 070 080 100 110 150

In the 2002 Supplemental, administrative reductions totaling \$10,490,000 (\$7,050,000 GF-S) were placed in the Administration and Supporting Services, Program 110 portion of the department's budget in two separate budget steps:

1. IT Systems Streamlining - \$2,503,000 (\$1,503,000 GF-S). This step was intended to achieve savings through reduced utilization of information services and also through reduced prices and economies of scale for bulk IT equipment purchases.
2. Administrative Reductions - \$7,987,000 (\$5,547,000 GF-S). The department was allowed the flexibility of administering this cut in either "central administration" or across administrative functions throughout the agency.

This decision package distributes the administrative reductions among all programs.

Narrative Justification and Impact Statement

How contributes to strategic plan:

Program(s): 010 020 030 040 050 060 070 080 100 110 150

This decision package contributes to the agency goal of accounting for use of public dollars.

Performance Measure Detail

Goal: 01Z DSHS Accounts for Its Use of Public Dollars

Incremental Changes

FY 1FY 2

Output Measures

1Z8 Governor's 15 percent reduction exercise.

No measures submitted for package

No measures submitted for package

No measures submitted for package

No measures submitted for package

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No measures submitted for package

Reason for change:

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The administrative reduction totaling \$10,490,000 represents cost savings measures identified by all programs in DSHS. Currently, the entire administrative reduction is in the Administration and Supporting Services Division's budget (Program 110).

Impact on clients and services:

Program(s): 010 020 030 040 050 060 070 080 100 110 150

None

Impact on other state programs:

Program(s): 010 020 030 040 050 060 070 080 100 110 150

All programs are impacted.

Relationship to capital budget:

Program(s): 010 020 030 040 050 060 070 080 100 110 150

None

Required changes to existing RCW, WAC, contract, or plan:

Program(s): 010 020 030 040 050 060 070 080 100 110 150

Not applicable

Alternatives explored by agency:

Program(s): 010 020 030 040 050 060 070 080 100 110 150

No alternatives were explored as DSHS is implementing the administrative reductions provided in the 2002 Supplemental.

Budget impacts in future biennia:

Program(s): 010 020 030 040 050 060 070 080 100 110 150

This administrative reduction will carry forward into future biennia.

Distinction between one-time and ongoing costs:

Program(s): 010 020 030 040 050 060 070 080 100 110 150

There are no costs associated with this decision package.

Effects of non-funding:

Program(s): 010 020 030 040 050 060 070 080 100 110 150

Not applicable

Expenditure Calculations and Assumptions:

Program(s): 010 020 030 040 050 060 070 080 100 110 150

See attachment - AW M2-LR Alloc of Admin Reduct to Programs.xls

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| <u>Object Detail</u> | <u>FY 1</u> | <u>FY 2</u> | <u>Total</u> |
|--------------------------------------|-------------|-------------|--------------|
| Overall Funding | | | |
| A Salaries And Wages | (946,049) | (946,049) | (1,892,098) |
| B Employee Benefits | 332,264 | 332,264 | 664,528 |
| C Personal Service Contracts | (246,000) | (246,000) | (492,000) |
| E Goods And Services | 970,003 | 970,003 | 1,940,006 |
| G Travel | (97,549) | (97,549) | (195,098) |
| J Capital Outlays | (69,500) | (255,340) | (324,840) |
| N Grants, Benefits & Client Services | (2,344) | (2,344) | (4,688) |
| P Debt Service | (194,623) | (8,783) | (203,406) |
| T Intra-Agency Reimbursements | 253,798 | 253,798 | 507,596 |
| Total Objects | 0 | 0 | 0 |

DSHS Source Code Detail

| <u>Overall Funding</u> | <u>FY 1</u> | <u>FY 2</u> | <u>Total</u> |
|----------------------------------------------------------------------|-----------------|-----------------|------------------|
| Fund 001-2, General Fund - Basic Account-Federal | | | |
| <u>Sources</u> <u>Title</u> | | | |
| 126F Rehabilitation Svs - Basic Supp (A) (78.7%) | (50,000) | (50,000) | (100,000) |
| <i>Total for Fund 001-2</i> | (50,000) | (50,000) | (100,000) |
| Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa | | | |
| <u>Sources</u> <u>Title</u> | | | |
| 19TA Title XIX Assistance (FMAP) | (177,509) | (177,509) | (355,018) |
| 19UL Title XIX Admin (50%) | 227,509 | 227,509 | 455,018 |
| <i>Total for Fund 001-C</i> | 50,000 | 50,000 | 100,000 |
| Total Overall Funding | 0 | 0 | 0 |

Funding Totals by Program

Dollars in Thousands

| | <u>FTE's</u> | | <u>GF-State</u> | | <u>Total Funds</u> | |
|---------------------------------|---------------|---------------|-----------------|-------------|--------------------|-------------|
| <u>Program</u> | <u>FY 1</u> | <u>FY 2</u> | <u>FY 1</u> | <u>FY 2</u> | <u>FY 1</u> | <u>FY 2</u> |
| 010 Children's Administration | 0.0 | 0.0 | (56) | (56) | (74) | (74) |
| 020 Juvenile Rehabilitatn Admin | 0.0 | 0.0 | (90) | (90) | (94) | (94) |
| 030 Mental Health | 0.0 | 0.0 | (194) | (194) | (265) | (265) |
| 040 Div of Developmntl Disab | 0.0 | 0.0 | (222) | (222) | (331) | (331) |
| 050 Long Term Care Services | 0.0 | 0.0 | (411) | (411) | (565) | (565) |
| 060 Economic Services Admin | 0.0 | 0.0 | (1,822) | (1,822) | (2,238) | (2,238) |
| 070 Div of Alc/Substnce Abuse | 0.0 | 0.0 | (455) | (455) | (467) | (467) |
| 080 Medical Assistance | 0.0 | 0.0 | (1,200) | (1,200) | (3,316) | (3,316) |
| 100 Vocational Rehabilitation | 0.0 | 0.0 | (47) | (47) | (97) | (97) |
| 110 Admin & Supporting Svcs | (30.5) | (30.5) | 4,497 | 4,497 | 7,447 | 7,447 |
| 150 Info SYS Svcs Div | 0.0 | 0.0 | 0 | 0 | 0 | 0 |
| Grand Total: | (30.5) | (30.5) | 0 | 0 | 0 | 0 |